

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0184-01
Bill No.: HB 283
Subject: Licenses-Motor Vehicle, Motor Vehicles, Revenue Dept., Roads and Highways,
Transportation
Type: Original
Date: February 12, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Highway Fund	(\$104,522)	(\$256,367)	(\$268,252)
HP Inspection Fund	\$0	\$0	(\$4,161)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$104,522)	(\$256,367)	(\$272,413)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	(\$33,284)	(\$85,622)	(\$86,477)

FISCAL ANALYSIS

ASSUMPTION

Officials with **Department of Transportation** assume this proposal would have no fiscal impact on their agency.

Officials with the **Department of Revenue (DOR)** assume this proposal could have fiscal impact on their agency. DOR assumes the following aspects of the proposal could impact revenue collected by their agency:

-For the 136 currently registered Street Rod vehicles, a one time registration fee of \$25 could replace the annual registration fee, license fee and extra horse power fee which averages \$41 per vehicle. A 1% vehicle increase in anticipated.

-This proposal could also incorporate modern vehicles (1949-1978) that have modifications to resemble vehicles manufactured before 1948. Those vehicles could qualify as 'Custom Vehicles' and a one time \$25 registration fee would replace the annual average fee of \$41. **Oversight** assumes that the number of owners who would register their vehicles as 'Custom' is unknown. However, for fiscal note purposes, DOR estimates that 5% (8,185) of all vehicles with a manufacture date of 1949 through 1978 could register as a 'Custom Vehicle'.

ASSUMPTION (continued)

Officials with the **Department of Public Safety (DPS)- Missouri Highway Patrol** assume there could be a loss of biennial safety inspection revenue due to no annual registration requirements.

FY 04- Income (loss)

136 current Street Rod vehicles*\$25 one time registration fee	\$3,400
8,185 qualifying vehicles *\$25 one time registration fee	\$204,625
136 current Street Rod vehicles*\$41 current annual fee	(\$5,576)
8,185 qualifying vehicles*\$41 current annual fee	<u>(\$335,585)</u>
Total	(\$133,136)

FY 05-Income (loss)

1 current Street Rod vehicle(1% growth)*\$25 one time registration fee	\$25
82 qualifying vehicles (1% growth)*\$25 one time registration fee	\$2,050
137 current Street Rod vehicles (1% growth)*\$41 current annual fee	(\$5,617)
8,267 qualifying vehicles (1% growth)*\$41 current annual fee	<u>(\$338,947)</u>
	(\$342,489)

FY 06-Income (loss)

1 current Street Rod (1% growth)*\$25 one time registration fee	\$25
83 qualifying vehicles (1% growth)*\$25 one time registration fee	\$2,075
138 current Street Rod vehicles (1% growth)*\$41 current annual fee	(\$5,658)
8,350 qualifying vehicles (1% growth) *\$41 current annual fee	(\$342,350)
8,321 vehicles (FY04) vehicles*\$1.50 inspection fee	<u>(\$12,482)</u>
Total	(\$358,390)

According to Missouri Constitution, the revenue collected for license plate fees are to be dispersed as follows:

Highway Fund 75%
Cities 15%
Counties 10%

The \$1.50 fee collected by DPS shall be distributed to Highway Fund (\$1) and the Highway Patrol Inspection Fund (\$.50).

DOR-Driver and Vehicle Services Bureau (DVSB) assume they could incur cost for changes to the Certificate of Title and for other forms associated with registration. However, DOR

assumes they could absorb these costs.

ASSUMPTION (continued)

The DVSB further assumes they could incur cost for procedure revisions, postage and storage costs at the State Data Center.

The **DOR-Information Technology Bureau (ITB)** could incur programming cost to make modifications to the General Registration System (GRS) and all associated systems, including the Missouri Transportation Accounting System.

FY 04-Cost

Procedures and Postage	\$530
Programming Cost	\$3,640
State Data Center	<u>\$500</u>
Total	\$4,670

FY 05-Cost

State Data Center	\$500
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FY 06-Cost

State Data Center	\$500
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To implement this legislation, the DOR could require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. This year, however, highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

This limitation is found in Section 226.200.3, RSMo. It places a cap on the highway funding available to state departments other than the Department of Transportation. The total amount of highway funds appropriated to these other state departments (including the DOR) cannot exceed the total amount of their fiscal year 2001 highway appropriations. This cap limits the highway funds that will be available for the implementation of this legislation.

If highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

There could be a decrease in total state revenue as a result of this proposal. This decrease is attributed to fewer total vehicle license fees collected.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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HIGHWAY FUND

<u>Income (Loss)</u>			
Reduction in fees collected	<u>(\$99,852)</u>	<u>(\$256,867)</u>	<u>(\$259,431)</u>
<u>Cost- Department of Revenue</u>			
Procedure and mailing	(\$530)	\$0	\$0
Programming	(\$3,640)	\$0	\$0
Storage	<u>(\$500)</u>	<u>(\$500)</u>	<u>(\$500)</u>
<u>Total- DOR</u>	<u>(\$4,670)</u>	<u>(\$500)</u>	<u>(\$500)</u>

Income (Loss)			
Reduction in inspection fees collected	<u>\$0</u>	<u>\$0</u>	<u>(\$8,321)</u>

NET ESTIMATED EFFECT ON HIGHWAY FUND	<u>(\$104,522)</u>	<u>(\$256,367)</u>	<u>(\$268,252)</u>
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**HIGHWAY PATROL INSPECTION
FEE FUND**

<u>Income (Loss)</u>			
Reduction in inspection fees collected	<u>\$0</u>	<u>\$0</u>	<u>(\$4,161)</u>

EFFECT ON HIGHWAY PATROL INSPECTION FEE FUND	<u>\$0</u>	<u>\$0</u>	<u>(\$4,161)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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<u>Income (Loss)- Cities</u>	(\$19,970)	(\$51,373)	(\$51,886)
Reduction in fees collected			

<u>Income (Loss)-Counties</u>	<u>(\$13,314)</u>	<u>(\$34,249)</u>	<u>(\$34,591)</u>
Reduction in fees collected			

**NET EFFECT ON LOCAL
GOVERNMENT**

(\$33,284)

(\$85,622)

(\$86,477)

FISCAL IMPACT - Small Business

As a result of this proposal there could be fiscal impact to small business. Those businesses which administer inspections could have fewer vehicles to inspect because of the one time registration.

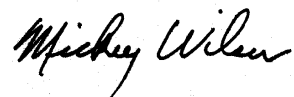
DESCRIPTION

This proposal could change the fee structure and requirements to register a vehicle as a Street Rod. A one time registration fee of \$25 could replace the annual registration fee, license fee and annual extra horse power fee for Street Rod Vehicles. Also, this proposal could create a 'custom' vehicle (1949-1978) which has modifications to resemble vehicles manufactured before 1948. This 'custom' vehicle would have the same fee structure as the 'Street Rod'.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Public Safety
Highway Patrol
Department of Transportation



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Director
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